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ABSTRACT

Since 1990, it has been possible to charge fees for all of Australia's Technical and Further Education (TAFE) courses. Although data can be extracted regarding TAFE enrollment patterns before and after the introduction of fees, detailed information about economically disadvantaged students cannot be obtained through the existing data collection system. Past studies have shown that fees constitute only one of a set of interacting factors affecting an individual's decision to enroll in TAFE. Other factors include the following: barriers to participation, allocation of finances without households, psychological/sociological factors, fee payment methods, and relationship between fee size and individual investment decisions. A 1990 study of the likely impact of fees and charges on TAFE students confirmed that patterns of participation in TAFE are complex and affected by a range and combination of factors and that fees must not be treated as an isolated variable influencing participation in TAFE. It was recommended that additional information about individuals' decisions to enroll in TAFE be collected through national surveys and that efforts be focused on modifying fee payment methods and ensuring that disadvantaged groups are not excluded from vocational education because of their inability to meet tuition and associated costs. (Contains 14 references.) (MN)

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KATE BARNETT

The impact of fees and charges on disadvantaged groups in TAFE

Discussion paper

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NCVER

Adelaide 1994

Foreword

The author would like to thank Dr Bill Hall, Mr John Foyster and Mr Phil Kerr for reading this paper and for their useful comments on it.

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1.0 Background

The introduction of fees in TAFE is not a new phenomenon. Prior to 1974, TAFE systems throughout Australia charged fees for tuition. In 1974, these fees were abolished by the Commonwealth Government which recompensed State governments for forgone revenue through the Commonwealth States Grants (TAFE Assistance) Legislation. Over the years, the States implemented a diverse range of fees and charges, and in accommodating the provisions of the legislation, applied costs to a range of areas without charging for tuition. From 1987 onwards, with the progressive relaxation of the prohibition on applying tuition fees, the TAFE systems have moved towards charging for tuition, particularly from 1990 when fees were able to be applied to all TAFE courses.

Equity considerations aside, the chief outcome of this legislation has been the development of a plethora of fees and charges—accurately described by the Deveson Report (1990) as a 'hotchpotch'—with enormous and confusing variation across and within TAFE systems. The Deveson Report examined the fees issue (see below) making a number of recommendations. These included:

- the removal of restrictions on charging fees under the States Grant (TAFE Assistance) Act
- the establishment of guidelines covering the entire range of possible fees and charges in TAFE
- the monitoring of the effects of fees and charges in TAFE, especially from an access and equity perspective.

Fees and charges exist under a number of titles and these include administration charges, student services or student amenities charges, enrolment fee and materials fee. These can be grouped into the following three categories:

- statewide administrative and related charges
- general and student service charges
- materials charges.

1.1 The VEETAC working party on fees, exemptions, deferred payments and loan schemes

In response to the difficulties raised by the lack of a streamlined system of fees and charges, the VEETAC Working Party of TAFE Fees, Exemptions, Deferred Payments and Loan Schemes was established to recommend a national approach on TAFE tuition fees and charges, including the need for upper limits on charges. The report of that working party (January 1993) outlined a number of

benefits likely to emerge from a national approach to fees and charges. These included:

- reduction of current inconsistencies between States (a survey conducted for the VEETAC Working Party found differences between States regarding the calculation of fees, with some using a cents-per-hour costing while others used a per-semester cost. The survey found that the maximum charge could vary between $180 per year and $470 per year, with an average of between $350 and $400 per year. Costs per hour varied from 45 cents to 60 cents. Some States had a flat rate while others offered a range of prices depending on the length of a course.)

- provision of a more rational and equitable basis for fees and charges

- consistency with the development of national courses based on national standards.

The Working Party's Report also called for a nationally recognised terminology and recommended that student fees and charges be classified under three broad categories:

1 System Wide Fees and Charges Used to Offset State Costs for TAFE programs. These would represent a subsidy paid by students to reduce the costs of training to the State. Such fees and charges would encompass administration charges, enrolment charges, tuition charges and materials charges.

2 Student Service Charges. These are payments made by students towards facilities and amenities and funds collected are earmarked for student use.

3 Incidental Fees and Charges. These represent a payment made by students for additional services such as, examination review fees, RPL assessments and late application fees.

The Working Party recommended that System Wide fees and charges should not be based on full cost-recovery, reflect the effort involved by the TAFE system in providing a given course or program, and incorporate the multiplicity of individual fees—such as, materials, tuition, enrolment, administration—into one charge, to be known as a 'tuition charge' and based on a charge per course or subject contact hour.

Further investigation was recommended in relation to the following:

a the benefits of varying tuition charges on a course basis to reflect the level of award involved;

b the development of a consistent approach to exemptions and concessions from student fees and charges, including the feasibility of a national exemption list;

c the setting of an upper limit on tuition fees;

d a deferred payment option, to be considered if current tuition fee levels rise.

The VEETAC Meeting of February 4–5, 1993 adopted the Working Party's Report, with minor amendments, agreeing that the Working Party's recommendations go to Ministers with the preface that '...due regard is needed for access and equity and educational efficiency'. At its April 23 1993 meeting, MOVEET agreed to endorse the Working Party's recommendations, and the accompanying preface suggested by VEETAC. The Working Party has been granted charge of $200,000 of 1993 TAFE National Project Funds for further investigation into an appropriate national framework for rates of fees, exemptions and concessions, and deferred payment options for students.

2.0 Analysing the impact of fees on disadvantaged groups, using available data

The issue of who should bear the costs involved in vocational education and training has become a contentious subject in recent years. No longer is the public sector deemed to hold full responsibility for the vocational education system, as an increasing contribution is being sought from consumers. This is reflected in the introduction of fees and charges for students in TAFE.

Any change will bring its own set of consequences and there is a considerable void in current understanding of the impact of fees and charges on individual students. Although data can be extracted regarding enrolment patterns prior to and following the introduction of fees and charges, these can only be disaggregated on the basis of gender and location. It is not possible to obtain detailed information regarding students with special needs (e.g. disability) at this stage.

For enrolments in the 1994 academic year, information will be recorded about each

- module enrolled
- funding source for enrolled module.

and for each client, information will be able to be disaggregated on the basis of these variables:

- language spoken at home
- country of birth
- Aboriginal and Torres Strait Islander background
- gender
- disability
- residential post code
- employment status
- age.

Module outcomes regarding completion and non-completion will be recorded for each enrolment.

It is not planned to obtain information about students' income levels (either gross or disposable), but the variables listed above will provide considerable detail of an equity nature. For example, it will be possible to monitor any changes over time in the socio-economic background of the student population by analysing the residential post codes and linking them to ABS socio-economic data.

In addition, NATMISS will be able to extract a wide range of information about vocational education students from its follow-up survey of vocational education graduates (the first of these having

been published in 1993), its survey of non-completing vocational education students, and a planned survey of current graduates. Specific information designed to identify students' ability to meet tuition costs could be built into any of these surveys, particularly if the focus is on ability to participate (rather than eliciting attitudes to fees). Section 5.0 of this paper pursues the issue of obtaining fees-oriented information about students.

However, analysing changing enrolment patterns is, by itself, simplistic and does not convey the full extent of the impact of fees and charges at the individual level. It ignores other key influences (particularly the recession) which affect individual disposable income levels and does not reflect the complexity of the relationship between factors determining individual participation in education and training. There will always be a range of factors affecting the decision-making governing the allocation of an individual's disposable income. There is an *interactive* effect between these factors and the fees and charges themselves, and this interaction will vary from one individual to another.

Among the factors which will influence the impact of fees and charges on the individual are:

- barriers to participation (e.g. lack of appropriate child care, timetabling of courses) which compound and are compounded by the financial impact of fees and charges;
- the allocation of finances within households, and the access of individuals to those finances;
- psychological and sociological factors;
- the method of payment of fees;
- the relationship between the fees amount and individual investment decisions.

3.1 Barriers to participation

Barriers to participation in TAFE can be singular in their impact on individual students, but the force of their impact is usually driven by their interaction with other inhibiting factors. People of non-English-speaking backgrounds will face a host of linguistic and cultural barriers to their participation in TAFE, but these factors are increasingly powerful if they interact with other barriers—for example, living in an isolated rural area. People with disabilities are likely to face a number of access difficulties in undertaking studies at TAFE and these are compounded by a lack of special support facilities or inflexible course structure. Women with children face a number of barriers which are exacerbated in their impact by a lack of appropriate childcare or by course structure and timetabling which inhibits the fulfilment of childcare and other family responsibilities. For all of these groups of students, the imposition of fees and charges will add to existing barriers. It is the compounding effect of different barriers which determines whether or not continued participation is possible or impossible.

3.2 The allocation of finances within households

Students living with parents and adults living with partners will have various degrees of control over the decision-making governing the allocation of finances within households. This may be an issue for many female students, and is compounded by socialisation processes which influence women to give priority to the needs of others in the household, especially when financial decisions are involved.

Chapman (1992) in a report on AUSTUDY noted the key role of parental support for school leavers in relation to participation in post-compulsory education and training and of partner support for older students, which included access to household finances.

3.3 Psychological and sociological factors

A study commissioned by WEETAG (1993) has examined from a gender perspective fees, costs and charges levied in four areas of post-compulsory education and training—higher education, TAFE, private provision of vocational education and work-based training. That report identifies as one factor affecting women's attitudes to payment for their education the range of sociological influences which determine male and female choices of fields of study and which assign roles on the basis of gender. Such influences are reflected in the gender-based segmentation of courses selected by women and men students. For example, women are under-represented in engineering and surveying courses and in architecture courses, but are over-represented in services and hospitality, business studies and economics, arts and humanities and community services. (NCVER: 1992)

The WEETAG report adds to the impact of such expectations the influence of 'thin-edge-of-the-wedge fears'.

> *When new fees/costs/charges are levied ... or there are rises in existing ones, some individuals will fear that further, possibly steep, increases will occur in the near future, in particular, within the time frame of the course being contemplated. Thus, while ... they can afford the current level of fees/costs/charges, they worry that in the event of any escalation, they would not be able to do so. Hence, the fear itself may deter some potential participants. (p. 29)*

As the report noted, there appears to be little data to support this proposition and research is needed which can identify the impact of psychological and sociological factors on individual responses to fees and charges.

3.4 The method of payment of fees

Apart from the level of fees and charges applied to courses of study, the method of their payment is also significant, particularly for students whose disposable income is low. For such students, upfront payment—as occurs in TAFE, primarily on a semester basis—involves a financial outlay which exceeds available income. Many community providers, in recognition of the significance of method of payment, allow students to pay for tuition on a weekly basis.

The WEETAG study (1993: p. 31) concluded that while the average level of charges applied in the TAFE sector is generally below that of HECS in the higher education sector, the upfront payment demanded for TAFE charges has an important effect on the impact of participation. Where HECS is a deferrable charge involving repayment only when post-graduation income reaches a given level, and has a 1992 value of $2,250, maximum TAFE fees are estimated to be approximately two-thirds of HECS (WEETAG: 1993, p. 11). Despite the difference in actual amounts payable, the method of payment, for disadvantaged students, can be argued to be of equal, if not more, significance in determining individual ability to pay.

3.5 The relationship between fees amount and individual investment decisions

Vocational education and training can be regarded as an investment activity in that it provides the opportunity for individuals to acquire 'human capital' at a cost (this being forgone earnings while studying plus any fees, costs or charges), with the promise of higher future earnings after graduation (WEETAG: 1993). The profitability of this investment depends on the costs involved, the returns, and the individual's discount rate (that is, the rate at which individuals offset future gains for current costs).

A number of studies have estimated the rate of return to higher education in Australia, but there have been far fewer studies in relation to TAFE and other forms of vocational education. The WEETAG Report cites data from Chapman and Ghia (1989) who plotted estimates of rates of return to the individual under a number of scenarios, including HECS, an up-front administration charge (Higher Education Administration Charge—HEAC) and the Bond University fee structure (which involves high levels of fees). Under all scenarios, the internal rate of return was higher for women than for men, mainly because women graduates have higher rates of labour force participation than non-graduates. Chapman and Ghia's analysis also indicated that rates of return are reduced significantly only with the imposition of substantial up-front fees, at levels similar to those charged by Bond University. (For this analysis, an annual fee of $12,000 was used as the basis for calculation.) By contrast, the levying of a small administration

charge, up-front fees of $600 per year or a HECS arrangement of deferred payment had only marginal impact on rates of return to higher education for both women and men. (WEETAG 1993, p. 23) In terms of relative impact on male and female students, HECS has been found to be neutral whereas its predecessor, the HEAC has been found to have had a significant deterrent effect on women part-time students, with access to the required lump sum being a barrier to the participation of many women. (Power and Robertson: 1988). They concluded that the failure of the HEAC to be charged on a pro-rata basis for part-time students and its requirement for up-front payment had –

> *...created genuine hardship for a disproportionate number of socially, geographically and economically disadvantaged part-time students, and particularly women dependent on parents or partners, basically because they missed out on the exemption categories available to full-time students.* (p. 123)

Unfortunately, similar studies on rates of return to vocational education have not been undertaken, and those that are available have focussed on the earnings benefits of trade qualifications. These indicate that the earnings advantage of trades training is higher than that of non-trades training, and that the earnings advantage of TAFE training appears to be lower than that of higher education (WEETAG 1993, pp. 25 and 27). Powles (1990) has reviewed the few studies to have assessed the impact of fees, costs and charges on participation in TAFE (see section 4.0). A New South Wales study of the impact of administration charges introduced in the NSW TAFE system in 1988 and 1989 found that enrolments decreased in a number of courses, particularly those with significant female student populations. Students receiving benefits and pensions were exempted and older married women were found to have been most affected by the charges. A study by the ACT Institute of TAFE concluded that low levels of fees have little impact on the demand for training but that increases in fees and charges had revealed a sensitivity to price among those not receiving exemptions.

The WEETAG study (1993 p. 2) has also analysed discrepancies in female and male participation in post-compulsory education and training. Where women make up the majority of students in the final years of secondary schooling and in higher education, they constitute less than one-third of those participating in vocational education. This participation is uneven across fields of study in all education sectors.

In relation to *work-based training*, the discrepancies continue. Baker and Wooden (1992) have found that single females (and not married females) participate in more in-house training than do males. But in relation to on-the-job training, women as a group receive less training than do men, while married women receive more training than single women. The probability of employers' supporting external training for staff was estimated to be greater

for male staff than for female staff, especially for study leading to a formal qualification.

Further contrast is drawn between apprenticeship and traineeship provision, with apprenticeships providing renumeration for time spent in off-the-job training in contrast to traineeships which involve an explicit discounting of trainees' wages for time spent in such training (WEETAG 1993, p. 13). The gender bias in this discrepancy is a strong one, with some three-quarters of traineeships being held by females and the majority of apprenticeships being held by males.

With regard to *private training provision*, the WEETAG study (1993 p. 12) notes that a high proportion is targeted to women, particularly recent school leavers, and that the costs of such tuition far exceeds that of the TAFE sector. Examples given indicate that these overall fees, charges and costs are twice that of equivalent TAFE fees, charges and costs.

4.0 Studies focussing on fees and participation in TAFE

In a detailed analysis commissioned by the Training Costs Review Committee, Powles (1990) develops a cross-referenced framework to describe the TAFE student population and to examine the likely impact of fees and charges on TAFE students. Using the stream of study classification as a basic grid, this framework identifies the following factors as having a critical bearing on participation patterns and on ability to meet tuition and related costs:

- gender
- age
- socio-economic status
- mode of attendance
- courses undertaken
- income level.

Acknowledging the disadvantages known to be experienced by some groups in accessing education and training (for example, women, people of non-English-speaking backgrounds, Aboriginal and Torres Strait Islanders, people with disabilities, people in rural or remote areas, long-term-unemployed people), Powles argues that determining the impact of fees and charges must involve taking into account more than such disadvantage. In part, this acknowledges the size, dispersion and heterogeneity of the TAFE population, and in part the complexity of the factors affecting the ability to afford these fees and charges.

> *It is important ... that the notion of equity is not reduced to a checklist for determining whether needs are real or not .... What is essential, if the notion of equity is to have any standing ... is consideration of which needs would be unfairly undermined by fees policies (1990 p. 121).*

Powles' analysis involves overviewing the TAFE population in terms of the six factors described above, and detailing salient characteristics of students in different streams of study in relation to the likely impact of fees on them. On this basis, streams of study are used as the basis for examining these issues:

- award vs non-award distinctions
- initial vs non-initial courses
- fees for Associate Diploma courses
- articulation of TAFE and higher education courses
- existing (at the time of writing) materials, administration and amenities fees
- tuition fees and exemptions
- deferred payment options
- disincentive effects
- earnings profile of TAFE graduates.

4.1 Mode of attendance

Powles notes that 90% of TAFE students are enrolled in part-time courses and that most assumptions made about the TAFE population focus on this group. It is usually assumed, for example, that part-time students are in full-time employment and, therefore, able to pay fees. Powles questions this assumption, arguing that part-time participation varies considerably across streams of study according to students' age and gender. She found that any income earned is often low and, again, varies with stream, age and gender (1990 p. 94).

The focus on part-time students, Powles argues, underestimates the increasing importance of the full-time mode, and ignores the considerable variation in the distribution of full-time and part-time groups across streams of study. The characteristics of each group, she states, are distinct and thus fees affect them in different ways.

4.2 Age

Historically, full-time participation in TAFE peaked at age 17, but since 1985, it has increased gradually among 18 and 19 year olds, reflecting the decline in demand for full-time teenage labour (Sweet 1988, 1990). Powles makes a number of points about the pattern of income support among young TAFE students.

- Full-time TAFE students and younger part time students are identified as subsisting on low incomes (Powles 1986).
- Part-time employment during full-time study is associated more with higher than with lower socio-economic status and with younger TAFE students (Powles 1986).
- Neither dependency nor family income support can be assumed, even among the youngest full-time students (1990 p. 95). Parental willingness and ability to provide financial support cannot be assumed and parents have been found to be more willing to support sons than daughters (Powles 1986). Students on assistance schemes are known to contribute substantial proportions of their educational allowances to the household, particularly in refugee or sole parent families, or in families for whom income sharing has a cultural basis (1990 p. 95).

Consequently, assumptions cannot be made about the income of full-time students as the disposable income of both students and their families must be taken into account. Powles cites the research of Williams (1987) which established a direct relationship between family wealth and participation in TAFE and Hayden (1982) which suggests that both perceived and actual costs associated with education can impede participation, when other economic circumstances are unfavourable.

4.3 Low-income earners

Powles identified unskilled and semi-skilled workers and people whose access to education and training has been limited, as part of the low-income earner group who *'... might be identified as a group to be exempted from fees as an equity measure.' (1990 p. 98)*

She makes the point, however, that it is not only low income but low *disposable* income which is critical to influencing decisions about participation in TAFE. Disposable income is affected by the individual's responsibilities (e.g. child care, loan repayments) and this is extremely difficult for TAFE authorities to determine in allocating exemptions and concessions.

4.4 Gender

Powles delineates the interaction between gender and stream of study, summarising the patterns of over and under representation of women in different streams. She notes (1990 p. 99) that three factors must be taken into account when formulating fee levels:

1 that women are less likely than men to be in paid employment
2 that partner's (or parent's) support cannot be assumed
3 that in paid employment, women's incomes are lower than those of men.

4.5 Socio-economic factors

Citing a number of previous studies, Powles notes that TAFE draws students from a wide social base and one which reflects the composition of Australian society, but varies somewhat by stream of study. For example, lower socio-economic status students made up only 19% of professional courses at the time of analysis.

> *... the hypothesis is suggested that indeed the nature of the population would alter under fees regimes and that marginal groups ... would be replaced by those justifiably exempt from the change, by those with the ability to pay up-front, or by those ... associated with a more privileged social status (1990: p. 104).*

In examining the impact of fees on the socio-economic profile of TAFE students, it will be equally important to monitor the impact on groups at the qualifying cut-off point. As Powles notes -

> *... exemptions may simply have the effect of displacing those at the margins of disadvantage who do not qualify for exemptions* (1990 p. 105).

4.6 Summary

Powles' analysis reveals that participation patterns in TAFE are complex and affected by a range and combination of factors. Fees were found to impact in different ways on full-time and part-time students, on different age groups, on females and males, and in accordance with the streams of study undertaken by these groups.

In exploring the TAFE student population, Powles noted the gaps in available data, pointing out that a real understanding of participation and how fees affect this could not be achieved without redressing these gaps.

> *More needs to be known about TAFE students—about their attitudes to training, their aspirations, their employment patterns, their disposable income levels, and far more about socio-economic variations between streams over time and differences by state* (1990 p. 121).

The Tasmanian Department of Employment, Industrial Relations and Training has produced two reports examining the effect of fees on the participation of women students. One report focusses on TAFE students (Dallas and Wierenga 1992) and the other on adult education (Potter 1992). Adult education and TAFE operate as two autonomous divisions of the department, with adult education providing all Stream 1000 and some Stream 1200 courses (language and literacy), while TAFE is responsible for Streams 2000 to 4000.

Potter (1992) overviews anecdotal information from Tasmanian providers of adult education regarding the effects of fee increases on the participation of women with low incomes in adult education fee-paying courses. She identifies a widely perceived negative impact of fees on women with low incomes, noting both a decline in women's overall participation rates and a tendency for women to select shorter, less costly courses as well as more vocationally-focussed (rather than 'traditional' adult education) courses. At the same time, a further trend is identified involving a drop in the average number of students per class and a consequent increase in the cost per student contact hour.

> *At this point it seems reasonable to suggest that financial indicators developing in the operations of adult education ... tend to offer support for the hypothesis that the fee increases are having a negative impact on women's participation in adult education, particularly those with low incomes.*

Dallas and Wierenga (1992) examine female and male participation rates by stream of study across TAFE courses from 1988 to October 1992. After the introduction of fees in January 1991, women's enrolments from the period 1990 to 1991 declined by 18.0%, in contrast with men's enrolments which declined by 13.0%. By

November 1992, the gap between female and male enrolments had stretched from 6 percentage points to 12 percentage points.

This decline in participation followed a relatively less dramatic decline which was observable over the period of 1988 to 1990, when women's percentage share of enrolment in TAFE courses dropped from 47.0% to 43.0%. The authors interpret this decline as having resulted from the consolidation of TAFE courses leaving decreased course offerings in Stream 2000, and from a decline in women's participation in Stream 4000, which occurred during 1990.

The combined impact of course consolidation and the introduction of fees was found to have had a greater impact on women's enrolments than on men's. The most significant impact from a course perspective affected Commercial Studies courses which showed a decrease in women's enrolments of 30.0% from 1990 to 1991. Following the consolidation of TAFE courses, the male share of student contact hours had increased.

During 1993, there has been a reversal in the trend to declining female enrolment in TAFE. It is not possible to determine—from the available data—whether increasing female enrolments involve a different female student population (e.g. more women from higher socio-economic status backgrounds and more women from groups meeting exemptions or concessions criteria), or a similar population to that which existed prior to the introduction of fees.

It is clear that an examination of changing enrolment patterns, in isolation from factors which affect the decision to enrol in TAFE, will not reveal the reasons affecting such decision making. It is clear from enrolment data that women's participation patterns have altered since the introduction of fees in Tasmania, and from this one can infer some relationship between the two. However, we cannot draw strong conclusions from this without obtaining detailed information about the range of factors which influenced the decline in women's enrolment.

5.0 Conclusions: monitoring the impact of fees on disadvantaged groups

It is clear that the monitoring of the impact of fees on students is a far from simple task. The studies reviewed in this paper indicate that participation is a complex process, influenced by a number of factors which have their impact individually and in combination. In addition, there are other factors, external to the learning environment itself, which affect participation in education and training. Two such factors are –

a the recession and its associated impact

b increasing levels of demand for places in vocational education, producing increasing competition for places which will displace some groups in favour of others, and which will disguise any reduction in participation by more disadvantaged groups if enrolment patterns are analysed without reference to individual student characteristics.

Apart from inequities existing within the TAFE sector, there are also inequities which arise from differential treatment of fees across sectors. For example, Associate Diploma and Diploma courses do not attract the HECS charge if studied in TAFE, but do attract HECS if studied in the higher education sector. However, HECS provides for deferred payment whereas fees in TAFE require an upfront payment, which places people on low disposable incomes at a considerable disadvantage.

It is also essential that fees are not treated as an isolated variable influencing participation as there is an interactive effect between fees and other factors which include –

- barriers to participation (a number of barriers to participation in vocational education have been identified, all of which can operate independently and in combination with each other, and the degree to which fees impact will depend on the strength of other inhibiting factors);
- household income and its allocation to individual members (the access by individual students to the resources needed for them to study formally will vary not by the amount of household income but by their access to that income);
- psychological and sociological factors (attitudes to the costs involved in education have been shown to be crucial in affecting participation decisions, but more research is needed in this area);
- the method of payment of fees (it is not only the amount of fees which can be critical to participation but the method of payment —up front payment has been found to be highly inequitable,

posing a significant barrier to students with low levels of disposable income);

- the relationship between the amount of fees payable and individual investment decisions (the willingness to pay fees has been found to be reflected in the perceived rate of return on the 'investment', and while considerable information about this exists in relation to higher education, more research is needed to identify the rates of return from investing in vocational education).

Fees have also been found to impact differently on full-time and part-time students, on different age groups and genders, and in accordance with stream of study. Most students in TAFE are part-time, but income earned by them is often low and, again, varies with stream of study, age and gender. Assumptions cannot be made about full-time students' income as the disposable income of their families is of crucial significance to this income. Perceived as well as actual costs of studying have been found to impede participation when other economic circumstances are unfavourable. In theory, two students with identical levels of disposable income may make different decisions about their financial ability to participate in education because of their perceptions of what is affordable.

It is not only the level of income but the level of disposable income which is important in determining individual ability to meet the costs involved in participating in vocational education. Disposable income is affected by a range of factors, the identification of which by an education or training authority would be both extremely expensive and a considerable invasion of student privacy.

In the current system, a number of groups with known disadvantages have been identified as qualifying for concessions and exemptions and it is likely that a uniform national classification of such groups will be developed. Given the need to be selective in applying fees concessions and exemptions, it is important that groups who are severely disadvantaged be identified to enable them to access vocational education opportunities. However, the qualifying cut-off point for exemptions and concessional treatment raises further equity concerns involving the likely displacement of those groups at the margins of this point.

In order to prevent a possible trend towards a student population divided by those able to pay fees and those who are sufficiently disadvantaged as to qualify for concessions or exemptions, it is essential that a safety net be developed for those at the margins of identified disadvantage. This could involve seeking from students at the point of enrolment, information which is stated as being designed for the purpose of identifying possible hardship in the payment of fees. To obtain information beyond that required to denote evident disadvantage (e.g. possessing a health care card) would involve seeking information about individual disposable

income. This does, of course, involve additional expense for the authorities concerned, but it would not be necessary to undertake this with all enrolments. Issues related to privacy could be argued to be addressed by the stating of the purpose of collecting such information, and by the fact that the giving of such information would be voluntary.

The inequities caused for some groups by the upfront method of payment could also be addressed, again by seeking information at the point of enrolment about students' ability to pay. It is, of course, those groups at the margin of identified disadvantage who would be most affected by the method of payment, and in the interests of equity, it is important that provision be made for ongoing fees payment for some (but not all) students. Again, the issue of expense for authorities is recognised.

In terms of monitoring the impact of fees on students by analysing data pertaining to the student population, it is clear that any participation patterns emerging over time can only be *indicative* of the possible impact being made by fees, and even this information must be treated with caution, given the complexity of the decision-making underlying participation. The costs involved in monitoring individual students, the factors influencing their participation, and the role played by fees in determining participation, would be extremely high. It may be possible to undertake small and selective studies, for example, within a number of TAFE colleges in different locations, and to combine quantitative and qualitative research methods in these studies. But this would not provide system-wide monitoring data from which generalisations could safely be drawn, and such studies would be likely only to tell us what we already know.

There are three major surveys which can be accessed in order to re-analyse their data and to obtain an understanding of participation factors and patterns in relation to groups known to be disadvantaged. Each survey contains information which has not been analysed in this way.

The first survey—*the Australian Youth Survey* (AYS) can provide data in a useable form dating backwards from 1992. The AYS is conducted annually and follows a cohort of young people aged between 16 and 25. This sample has been interviewed in 1985 and re-interviewed in 1986, 1987, and 1988, and a new group of 16 year olds joins the sample cohort each year. This survey monitors rapid changes occurring in school retention and in post-school education and training, especially entry level training.

The second and third surveys are conducted by the NCVER for NATMISS, and involve a *Client Satisfaction Survey* and an *Exit Survey*. The Client Satisfaction Survey is distributed to 25,000 TAFE students across all age groups while the Exit Survey is distributed to 4,000 TAFE students, again across all age groups. Both surveys were implemented for the first time in 1992. The Client Satisfaction

Survey documents a range of participation factors for current TAFE students, while the Exit Survey identifies factors influencing students to leave their TAFE courses.

Re-analysis of the data provided by the surveys can offer insight into the way in which different factors, one of which would be fees, affect student participation in TAFE.

It would seem that additional information could be sought through NATMISS surveys (perhaps on a trial basis over a limited number of surveys), and that effort should be focused on modifying the method of fees payment and on ensuring that groups at the margin of defined disadvantage are not excluded from vocational education opportunities because of their inability to meet tuition and associated costs.

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